

*For Immediate Release***Transcontinental Inc. Announces Results for the Fourth Quarter and Fiscal Year 2024****Highlights**

- Revenues of \$749.3 million for the quarter ended October 27, 2024; operating earnings of \$79.3 million; and net earnings attributable to shareholders of the Corporation of \$47.9 million (\$0.57 per share).
- Adjusted operating earnings before depreciation and amortization⁽¹⁾ of \$142.2 million for the quarter ended October 27, 2024; adjusted operating earnings⁽¹⁾ of \$105.1 million; and adjusted net earnings attributable to shareholders of the Corporation⁽¹⁾ of \$67.3 million (\$0.79 per share).
- Revenues of \$2,812.9 million for the fiscal year 2024; operating earnings of \$209.5 million; and net earnings attributable to shareholders of the Corporation of \$121.3 million (\$1.41 per share).
- Adjusted operating earnings before depreciation and amortization⁽¹⁾ of \$469.4 million for the fiscal year 2024; adjusted operating earnings⁽¹⁾ of \$320.6 million; and adjusted net earnings attributable to shareholders of the Corporation⁽¹⁾ of \$201.4 million (\$2.34 per share).
- Growth in adjusted operating earnings before depreciation and amortization⁽¹⁾ of 5.1% for the fiscal year ended October 27, 2024, with an increase of 14.2% in the Packaging Sector and an increase of 2.1% in the Retail Services and Printing Sector.
- Repurchase of 2.1 million shares during the fiscal year ended October 27, 2024, for a total consideration of \$32.3 million.
- Subsequent to the end of fiscal year 2024, sale of the industrial packaging operations to Hood Packaging Corporation for an amount of \$132.0 million (US\$95.0 million).

(1) Please refer to the section entitled "Non-IFRS Financial Measures" in this press release for a definition of these measures.

Montréal, December 11, 2024 - Transcontinental Inc. (TSX: TCL.A TCL.B) announces its results for the fourth quarter and fiscal year 2024, which ended October 27, 2024.

"Once again, we posted solid quarterly results and therefore ended the fiscal year on a strong note," said Thomas Morin, President and Chief Executive Officer of TC Transcontinental. "I am very pleased with the excellent results for fiscal 2024 and would like to thank our teams for their disciplined work in reducing costs and improving profitability.

"In our Packaging Sector, despite the ongoing pressure on our medical market activities, we reported a 6.5% increase in adjusted operating earnings before depreciation and amortization for the quarter, mainly as a result of our cost reduction initiatives. For the fiscal year 2024, our adjusted operating earnings before depreciation and amortization amounted to \$262.2 million, up 14.2% compared to the prior year.

"In our Retail Services and Printing Sector, we recorded an increase in adjusted operating earnings before depreciation and amortization for a second consecutive quarter. The actions taken to improve our cost structure, a more favourable product mix, including the roll-out of *raddar*TM, as well as growth in our in-store marketing activities, continue to show results. For fiscal 2024, our adjusted operating earnings before depreciation and amortization stood at \$201.0 million, an increase of 2.1% compared to the prior year.

"Mainly as a result of the implementation of the program aimed at improving our profitability and our financial position, we posted a solid performance for fiscal 2024," added Donald LeCavalier, Executive Vice President and Chief Financial Officer of TC Transcontinental. "In addition, we generated significant cash flows in fiscal 2024 which, combined with the monetization of some real estate assets, enabled us to improve our balance sheet by reducing our net indebtedness ratio to 1.71 times the adjusted operating earnings before depreciation and amortization while allocating \$32.3 million to our share repurchase program."

Financial Highlights

(in millions of dollars, except per share amounts)	Q4-2024	Q4-2023	Variation in %	Fiscal Year 2024	Fiscal Year 2023	Variation in %
Revenues	\$749.3	\$779.7	(3.9) %	\$2,812.9	\$2,940.6	(4.3)%
Operating earnings before depreciation and amortization	131.8	123.2	7.0	424.7	399.6	6.3
Adjusted operating earnings before depreciation and amortization ⁽¹⁾	142.2	145.5	(2.3)	469.4	446.5	5.1
Operating earnings	79.3	66.7	18.9	209.5	164.7	27.2
Adjusted operating earnings ⁽¹⁾	105.1	107.3	(2.1)	320.6	285.5	12.3
Net earnings attributable to shareholders of the Corporation	47.9	41.7	14.9	121.3	85.8	41.4
Net earnings attributable to shareholders of the Corporation per share	0.57	0.48	18.8	1.41	0.99	42.4
Adjusted net earnings attributable to shareholders of the Corporation ⁽¹⁾	67.3	71.8	(6.3)	201.4	176.0	14.4
Adjusted net earnings attributable to shareholders of the Corporation per share ⁽¹⁾	0.79	0.83	(4.8)	2.34	2.03	15.3

(1) Please refer to the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Press release for adjusted data presented above.

Results for the Fourth Quarter of Fiscal 2024

Revenues decreased by \$30.4 million, or 3.9%, from \$779.7 million in the fourth quarter of 2023 to \$749.3 million in the corresponding period of 2024. This decrease is mainly due to lower volume in the Retail Services and Printing Sector and the Packaging Sector, partially mitigated by the favourable effect of exchange rate fluctuations.

Operating earnings before depreciation and amortization increased by \$8.6 million, or 7.0%, from \$123.2 million in the fourth quarter of 2023 to \$131.8 million in the fourth quarter of 2024. This increase is mainly attributable to our cost reduction initiatives and the decrease in asset impairment charges, partially offset by lower volume and the rise in restructuring and other costs.

Despite an increase in adjusted operating earnings before depreciation and amortization in the two main operating sectors, consolidated adjusted operating earnings before depreciation and amortization decreased by \$3.3 million, or 2.3%, from \$145.5 million in the fourth quarter of 2023 to \$142.2 million in the fourth quarter of 2024. This decrease is mainly due to the unfavourable effect of the change in the incentive compensation expense, including the stock-based compensation expense.

Net earnings attributable to shareholders of the Corporation increased by \$6.2 million, or 14.9%, from \$41.7 million in the fourth quarter of 2023 to \$47.9 million in the fourth quarter of 2024. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization, the decrease in depreciation and amortization, and lower financial expenses, partially offset by higher income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from \$0.48 to \$0.57, respectively.

Adjusted net earnings attributable to shareholders of the Corporation decreased by \$4.5 million, or 6.3%, from \$71.8 million in the fourth quarter of 2023 to \$67.3 million in the fourth quarter of 2024. This decrease is mainly due to the previously explained decrease in adjusted operating earnings before depreciation and amortization and higher income taxes, partially mitigated by the decrease in depreciation and amortization, and lower financial expenses. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from \$0.83 to \$0.79, respectively.

Results for Fiscal Year 2024

Revenues decreased by \$127.7 million, or 4.3%, from \$2,940.6 million in fiscal year 2023 to \$2,812.9 million in the corresponding period of 2024. This decrease is mainly due to lower volume in the Retail Services and Printing Sector as well as in the Packaging Sector.

Operating earnings before depreciation and amortization increased by \$25.1 million, or 6.3%, from \$399.6 million in fiscal year 2023 to \$424.7 million in the corresponding period of 2024. This increase is mainly attributable to our cost reduction initiatives and the decrease in asset impairment charges, partially offset by lower volume and the rise in restructuring and other costs.

Adjusted operating earnings before depreciation and amortization increased by \$22.9 million, or 5.1%, from \$446.5 million in fiscal year 2023 to \$469.4 million in the corresponding period of 2024. This increase is mainly attributable to our cost reduction initiatives, partially offset by lower volume.

Net earnings attributable to shareholders of the Corporation increased by \$35.5 million, or 41.4%, from \$85.8 million in fiscal year 2023 to \$121.3 million in the corresponding period of 2024. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization, the decrease in depreciation and amortization, and lower financial expenses, partially offset by higher income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from \$0.99 to \$1.41, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by \$25.4 million, or 14.4%, from \$176.0 million in fiscal year 2023 to \$201.4 million in the corresponding period of 2024. This increase is mainly attributable to the previously explained increase in adjusted operating earnings before depreciation and amortization, the decrease in depreciation and amortization, and lower financial expenses, partially offset by higher income taxes. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from \$2.03 to \$2.34, respectively.

For more detailed financial information, please see the Management's Discussion and Analysis for the year ended October 27, 2024, as well as the financial statements in the "Investors" section of our website at www.tc.tc.

Outlook

In the Packaging Sector, our investments, including those related to sustainable packaging solutions, position us well for the future and should be a key driver of our long-term growth. In terms of profitability, we expect to generate organic growth in adjusted operating earnings before depreciation and amortization for fiscal 2025 compared to fiscal 2024.

In the Retail Services and Printing Sector, we are encouraged by the roll-out of *raddar*[™] and growth opportunities in our in-store marketing activities. Despite a decrease in revenues resulting from lower volume in our traditional activities and the roll-out of *raddar*[™], we expect adjusted operating earnings before depreciation and amortization for fiscal 2025 to be stable compared to fiscal 2024, excluding the impact of the labour conflict at Canada Post.

Lastly, in addition to the amount received for the sale of our industrial packaging operations, we expect to continue generating significant cash flows from operating activities, which will enable us to reduce our net indebtedness while continuing to make strategic investments and return capital to our shareholders.

Labour Conflict at Canada Post

On November 15, 2024, the Canadian Union of Postal Workers initiated a national strike. As of December 11, 2024, this labour conflict at Canada Post, which remain unresolved, is disrupting the distribution services of flyers, including the *raddar*[™] leaflet. As a result, the Corporation is incurring revenue losses in regions where *raddar*[™] is not distributed through alternative networks, as well as additional costs, including the printing costs of undistributed flyers and the establishment of alternative distribution networks in certain regions of Quebec. As of December 11, 2024, the revenue losses, and consequently the profit losses, along with the additional costs, are estimated at approximately \$7.0 million.

Non-IFRS Financial Measures

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Accounting Standards ("IFRS") and the term "dollar", as well as the symbol "\$" designate Canadian dollars.

In addition, in this press release, we also use certain non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3, "Segmented Information", to the audited annual consolidated financial statements for the fiscal year ended October 27, 2024.

Terms Used	Definitions
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization as well as restructuring and other costs (revenues) and impairment of assets.
Adjusted operating earnings	Operating earnings before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets.
Adjusted income taxes	Income taxes before income taxes on restructuring and other costs (revenues), impairment of assets and amortization of intangible assets arising from business combinations as well as the recognition of previous years tax assets of an acquired company.
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets, net of related income taxes as well as the recognition of previous years tax assets of an acquired company.
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash.
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization.

Reconciliation of Non-IFRS Financial Measures

The financial information has been prepared in accordance with IFRS. However, financial measures used, namely adjusted operating earnings before depreciation and amortization, adjusted operating earnings, adjusted income taxes, adjusted net earnings attributable to shareholders of the Corporation, adjusted net earnings attributable to shareholders of the Corporation per share, net indebtedness and net indebtedness ratio, for which a reconciliation is presented in the following table, do not have any standardized meaning under IFRS and could be calculated differently by other companies. We believe that many of our readers analyze the financial performance of the Corporation's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

The Corporation also believes that these measures are useful indicators of the performance of its operations and its ability to meet its financial obligations. Furthermore, management also uses some of these non-IFRS financial measures to assess the performance of its activities and managers.

Reconciliation of operating earnings - Fourth quarter and fiscal year

(in millions of dollars)	Three months ended		Year ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Operating earnings	\$79.3	\$66.7	\$209.5	\$164.7
Restructuring and other costs (revenues)	7.1	(2.9)	33.9	21.7
Amortization of intangible assets arising from business combinations ⁽¹⁾	15.4	18.3	66.4	73.9
Impairment of assets	3.3	25.2	10.8	25.2
Adjusted operating earnings	\$105.1	\$107.3	\$320.6	\$285.5
Depreciation and amortization ⁽²⁾	37.1	38.2	148.8	161.0
Adjusted operating earnings before depreciation and amortization	\$142.2	\$145.5	\$469.4	\$446.5

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, non-compete agreements, rights of first refusal and educational book titles.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Fourth quarter and fiscal year for the Packaging Sector

(in millions of dollars)	Three months ended		Year ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Operating earnings	\$30.6	\$14.4	\$114.7	\$62.8
Restructuring and other costs	1.5	3.9	11.2	11.3
Amortization of intangible assets arising from business combinations ⁽¹⁾	14.4	16.1	60.9	64.1
Impairment of assets	—	8.8	0.6	8.8
Adjusted operating earnings	\$46.5	\$43.2	\$187.4	\$147.0
Depreciation and amortization ⁽²⁾	19.2	18.5	74.8	82.5
Adjusted operating earnings before depreciation and amortization	\$65.7	\$61.7	\$262.2	\$229.5

(1) Amortization of intangible assets arising from business combinations includes our customer relationships.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Fourth quarter and fiscal year for the Retail Services and Printing Sector

(in millions of dollars)	Three months ended		Year ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Operating earnings	\$47.5	\$26.0	\$118.6	\$108.8
Restructuring and other costs	2.5	3.8	22.1	11.0
Amortization of intangible assets arising from business combinations ⁽¹⁾	0.4	1.8	3.4	7.8
Impairment of assets	2.2	16.4	9.1	16.4
Adjusted operating earnings	\$52.6	\$48.0	\$153.2	\$144.0
Depreciation and amortization ⁽²⁾	11.0	13.1	47.8	52.9
Adjusted operating earnings before depreciation and amortization	\$63.6	\$61.1	\$201.0	\$196.9

(1) Amortization of intangible assets arising from business combinations includes our customer relationships.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Fourth quarter and fiscal year for the Other Sector

(in millions of dollars)	Three months ended		Year ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Operating earnings	\$1.2	\$26.3	(\$23.8)	(\$6.9)
Restructuring and other costs (revenues)	3.1	(10.6)	0.6	(0.6)
Amortization of intangible assets arising from business combinations ⁽¹⁾	0.6	0.4	2.1	2.0
Impairment of assets	1.1	—	1.1	—
Adjusted operating earnings	\$6.0	\$16.1	(\$20.0)	(\$5.5)
Depreciation and amortization ⁽²⁾	6.9	6.6	26.2	25.6
Adjusted operating earnings before depreciation and amortization	\$12.9	\$22.7	\$6.2	\$20.1

(1) Amortization of intangible assets arising from business combinations includes non-compete agreements, rights of first refusal and educational book titles.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of net earnings attributable to shareholders of the Corporation - Fourth quarter and fiscal year

(in millions of dollars, except per share amounts)	Three months ended		Year ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Net earnings attributable to shareholders of the Corporation	\$47.9	\$41.7	\$121.3	\$85.8
Restructuring and other costs (revenues)	7.1	(2.9)	33.9	21.7
Tax on restructuring and other costs (revenues)	(1.8)	0.3	(8.6)	(6.0)
Amortization of intangible assets arising from business combinations ⁽¹⁾	15.4	18.3	66.4	73.9
Tax on amortization of intangible assets arising from business combinations	(3.8)	(4.3)	(16.3)	(18.1)
Impairment of assets	3.3	25.2	10.8	25.2
Tax on impairment of assets	(0.8)	(6.5)	(2.7)	(6.5)
Recognition of previous years tax assets of an acquired company	—	—	(3.4)	—
Adjusted net earnings attributable to shareholders of the Corporation	\$67.3	\$71.8	\$201.4	\$176.0
Net earnings attributable to shareholders of the Corporation per share	\$0.57	\$0.48	\$1.41	\$0.99
Adjusted net earnings attributable to shareholders of the Corporation per share	\$0.79	\$0.83	\$2.34	\$2.03
Weighted average number of shares outstanding	84.8	86.6	86.1	86.6

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, non-compete agreements, rights of first refusal and educational book titles.

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	As at October 27, 2024	As at October 29, 2023
Long-term debt	\$668.1	\$937.8
Current portion of long-term debt	201.0	2.1
Lease liabilities	95.8	94.6
Current portion of lease liabilities	24.1	23.5
Cash	(185.2)	(137.0)
Net indebtedness	\$803.8	\$921.0
Adjusted operating earnings before depreciation and amortization (last 12 months)	\$469.4	\$446.5
Net indebtedness ratio	1.71x	2.06x

Dividend

The Corporation's Board of Directors declared a quarterly dividend of \$0.225 per share on Class A Subordinate Voting Shares and Class B Shares. This dividend is payable on January 20, 2025, to shareholders of record at the close of business on January 6, 2025.

Normal Course Issuer Bid

On June 12, 2024, the Corporation has been authorized to repurchase, for cancellation on the open market, or subject to the approval of any securities authority by private agreements, between June 17, 2024 and June 16, 2025, or at an earlier date if the Corporation concludes or cancels the offer, up to 3,662,967 of its Class A Subordinate Voting Shares and up to 668,241 of its Class B Shares. The repurchases are made in the normal course of business at market prices through the Toronto Stock Exchange.

During the fourth quarter of 2024, the Corporation repurchased and cancelled 900,459 Class A Subordinate Voting Shares at a weighted average price of \$16.20 and 2,000 Class B Shares at a weighted average price of \$16.39, for a total cash consideration of \$14.6 million.

During fiscal 2024, the Corporation repurchased and cancelled 2,060,217 Class A Subordinate Voting Shares at a weighted average price of \$15.65 and 7,000 Class B Shares at a weighted average price of \$15.66, for a total cash consideration of \$32.3 million. On October 16, 2024, the Corporation authorized its broker to repurchase shares between October 28, 2024, and December 13, 2024, inclusively, in accordance with parameters set by the Corporation. Subsequent to the year ended October 27, 2024, the Corporation repurchased 413,278 Class A Subordinated Voting Shares and 2,400 Class B Shares for a total cash consideration of \$7.0 million.

Additional information

Conference Call

Upon releasing its results for the fourth quarter and fiscal 2024, the Corporation will hold a conference call for the financial community on December 12, 2024, at 8:00 a.m. The dial-in numbers are 1-289-514-5100 or 1-800-717-1738. Media may hear the call in listen-only mode or tune in to the simultaneous audio broadcast on TC Transcontinental's website, which will then be archived for 30 days. For media requests or interviews, please contact Nathalie St-Jean, Senior Advisor, Corporate Communications of TC Transcontinental, at 514-954-3581.

Profile

TC Transcontinental is a leader in flexible packaging in North America and in retail services in Canada, and is Canada's largest printer. The Corporation is also the leading Canadian French-language educational publishing group. Since 1976, TC Transcontinental's mission has been to create quality products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,500 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of \$2.8 billion during the fiscal year ended October 27, 2024. For more information, visit TC Transcontinental's website at www.tc.tc.

Forward-looking Statements

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements may include observations concerning the Corporation's objectives, strategy, anticipated financial results and business outlook. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. These factors include, but are not limited to the impact of digital product development and adoption, the impact of changes in the participants in the distribution of newspapers and printed advertising materials and the disruption in their activities resulting mainly from labour disputes, including at Canada Post, the impact of regulations or legislation regarding door-to-door distribution on the printing of paper flyers or printed advertising materials, inflation and recession risks, economic conditions and geopolitical uncertainty, environmental risks as well as adoption of new regulations or amendments and changes to consumption habits, risk of an operational disruption that could be harmful to its ability to meet deadlines, the worldwide outbreak of a disease, a virus or any other contagious disease could have an adverse impact on the Corporation's operations, the ability to generate organic long-term growth and face competition, a significant increase in the cost of raw materials, the availability of those materials and energy consumption could have an adverse impact on the Corporation's activities, the ability to complete acquisitions and properly integrate them, cybersecurity, data protection, warehousing and usage, the impact of digital product development and adoption on the demand for printed products other than flyers, the failure of patents, trademarks and confidentiality agreements to protect intellectual property, a difficulty to attract and retain employees in the main operating sectors, the safety and quality of packaging products used in the food industry, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to our financial instruments as well as availability of capital at a reasonable cost, the legal risks related to its activities and the compliance of its activities with applicable regulations, the impact of major market fluctuations on the solvency of defined benefit pension plans, changes in tax legislation and disputes with tax authorities or amendments to statutory tax rates in force, the impact of impairment tests on the value of assets and a conflict of interest between the controlling shareholder and other shareholders. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis* for the fiscal year ended October 27, 2024 and in the latest *Annual Information Form*.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or entered into after the date of December 11, 2024. The forward-looking statements in this press release are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The forward-looking statements in this release are based on current expectations and information available as at December 11, 2024. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

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